

Message Text

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C O N F I D E N T I A L STATE 205096

EXDIS MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

FOLLOWING REPEAT REYKJAVIK 1285 ACTION STATE INFO NATO
SEPT 18, 1974

QUOTE C O N F I D E N T I A L SECTION 1 OF 2 REYKJAVIK 1285

EXDIS

DEPT PASS TO COMICEDEFOR, CINCLANT AND SECDEF

EO 11652: XGDS-1

TAGS: PFOR MARR IC NATO

SUBJECT: IDF RETENTION NEGOTIATIONS - PREPARATORY
TALKS

REF: (A) STATE 203946; (B) STATE 201414; (C) STATE 201415;
(D) STATE 202412; (E) REYKJAVIK 1284

1. PREPARATORY TALKS ARE BEING COMPLICATED BY THE BUREAU-
CRATIC IN-FIGHTING BETWEEN MFA LEGAN ADVISOR HANS ANDERSEN
AND MFA SEC GEN PETUR THORSTEINSSON, AND THE POLITICAL
DIFFERENCES ON THE DEFENSE ISSUE BETWEEN FONMIN AGUSTSSON
AND PRIMEMIN HALLGRIMSSON. EACH IS TELLING ME HIS
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TROUBLES "IN CONFIDENCE." EACH ASKS ME NOT TO LET THE
OTHERS KNOW WHAT WE DISCUSS AND EACH, IN HIS OWN WAY, IS
LOUSING UP THE SITUATION. IN EFFECT, I AM CARRYING ON
FOUR NEGOTIATIONS AND IN THE TWO DAYS REMAINING BEFORE

THE FONMIN DEPARTS FOR NEW YORK I AM NOW CONCENTRATING ON ACHIEVING AGREEMENT ON THE SUBSTANTIVE POINTS, LEAVING THE PAPERWORK, IF NECESSARY, TO BEING WORKED OUT IN NEW YORK OR WASHINGTON. I URGE THAT RESPONSES FROM WASHINGTON WHEN REQUIRED BE SPEEDED UP SO THAT THIS NOT BE AN ADDED COMPLICATING FACTOR.

2. I SPENT AN HOUR AND HALF YESTERDAY WITH HANS ANDERSEN, FORTY MINUTES WITH PETUR THORSTEINSSON, AND TODAY I HAVE SEPARATE MEETINGS SCHEDULED AGAIN WITH ANDERSEN AND THORSTEINSSON, AND TOMORROW SEPARATELY WITH PRIME MINISTER AND FONMIN. AS OF YESTERDAY, THORSTEINSSON HAS BEEN ADDED TO GOI'S NEGOTIATION DELEGATION GOING TO WASHINGTON OVER ANDERSEN'S OBJECTION AND EACH OF THEM EXPECTS TO MEET WITH ME IN WASHINGTON SEP 25 FOR LAST-MINUTE PREPARATORY TALKS.

3. I PRESENTED TO ANDERSEN THE DRAFT MEMORANDUM OF UNDERSTANDING OF REFTEL (B) AS REVISED BY REFTEL (A). A DAY EARLIER I GAVE HIM THE DRAFT EXCHANGE OF NOTES. I ALSO GAVE ANDERSEN YESTERDAY AN ORAL PAPER ON RELAXATION OF RESTRICTIONS ON BASE PERSONNEL WHICH INCORPORATES THE ARGUMENTS AND POINTS OF REFTEL (D) BUT WITHOUT REFERENCE TO THE NOW-DROPPED PARA 5 OF MOU. I ALSO GAVE HIM BREAK-DOWN OF THE MALE PERSONNEL OF THE ENLISTED RANKS STILL SUBJECTED TO THE UNIFORM RESTRICTION (FEMALES ARE EXEMPT). THIS TOTALLED 658 IN KEFLAVIK AND 19 AT H-3. (YOUR 800 INCLUDES FEMALES).

4. EXCHANGE OF NOTES: ANDERSEN BELIEVES WORDING IS FINE BUT SAID FONMIN SAID HE WOULD NOT SIGN IF IT INCLUDED WORDS WHICH SIGNIFIED REVIEW OF DEFENSE AGREEMENT CONCLUDED. ANDERSEN SAID THAT BECAUSE OF "UNFORTUNATE" TV INTERVIEW FONMIN GAVE SEP 16 (REFTEL E) FONMIN BACKED HIMSELF INTO A CORNER WHERE HE NOW FINDS IT POLITICALLY DIFFICULT TO SIGN A PAPER WHICH COULD BE INTERPRETED BY HIS LEFTIST COLLEAGUES THAT NO FURTHER MODIFICATIONS WILL BE MADE IN IDF IN FUTURE. ANDERSEN AND I BOTH AGREED
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TO TRY TO CONVINCE THE FONMIN THAT HE IS MISINTERPRETING THE EXCHANGE OF NOTES. I SHALL ALSO MENTION THIS POINT TO PRIMEMIN TOMORROW.

5. MEMORANDUM OF UNDERSTANDING: ANDERSEN WANTED TO LOAD THIS WITH SPECIFICS INCLUDING SUCH THINGS AS USG WILL PURCHASE THE PRESENT TERMINAL WHEN NEW ONE IS BUILT AND HELP FINANCE NEW AIRPORT; USG WILL INCREASE ITS COOPERATION WITH ICELANDIC COAST GUARD, THE ICELANDIS POLICE, AND CIVIL AIR AUTHORITIES. ANDERSEN OBJECTED TO WORD "SEEK" IN MOU POINT 1(A). HE PREFERRED "THE U.S. WILL REDUCE" ETC. (ACTION REQUESTED: DO WE CARE ABOUT ELIMINATION OF THE WORD "SEEK"?) AFTER MUCH DISCUSSION DURING WHICH

ANDERSEN INSISTED GOI NEEDS SPECIFICS SOMEPLACE IN WRITING I SUGGESTED AND ANDERSEN AGREED WE CONSIDER A "MEMORANDUM FOR THE RECORD" OR "MINUTES OF THE MEETING" TO BE DATED SEP 26 AND WHICH WILL REFLECT OUR MUTUAL COMMITMENTS AS EXPRESSED DURING THE FORMAL NEGOTIATING SESSION. (ACTION REQUESTED: APPROVAL OR COMMENTS ON MY SUGGESTION.)

6. MEMORANDUM FOR THE RECORD: SUBJECT TO ANDERSEN CHECKING THIS OUT WITH FONMIN TODAY, THIS WILL INCLUDE FOLLOWING POINTS:

(A) REDUCTION OF 420 MILITARY PERSONNEL TO BE REPLACED BY QUALIFIED ICELANDIC PERSONNEL AS SUCH PERSONNEL BECOME AVAILABLE. USG WILL TRAIN ICELANDERS AS REQUIRED. PRESENT ESTIMATE IS THAT 417 ICELANDERS WILL BE NEEDED TO REPLACE THE 420.

(B) USG WILL SEEK FUNDS FROM CONGRESS IN FY 1975, 1976 AND 1977 TO CONSTRUCT ADDITIONAL ON-BASE UNITS SUFFICIENT TO HOUSE ALL AMERICAN MILITARY PERSONNEL ON BASE. CURRENT ESTIMATE OF ADDITIONAL UNITS IS 468. AS INDICATION OF USG GOOD INTENTION, DEFENSE DEPT HAS ALREADY INCLUDED FY1975 CONGRESSIONAL BUDGET FUNDS FOR 200 OF THESE UNITS IN ANTICIPATION OF SIGNING A SATISFACTORY DEFENSE AGREEMENT.

(C) USG WILL SEEK FUNDS FROM THE CONGRESS TO ASSIST
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IN THE CONSTRUCTION AND DEVELOPMENT OF A NEW AIR COMPLEX WHICH WILL EFFECTIVELY SEPARATE THE CIVILIAN AIR TERMINAL FROM THE BASE FACILITIES AT KEFLAVIK. USG FUNDING, WHEN AVAILABLE, WILL BE LIMITED TO MILITARY-RELATED FACILITIES (CURRENT OR CONTINGENT) BUT WHICH WILL ALSO HAVE CIVIL AIR UTILITY. FOR PURPOSES THIS RECORD THESE FACILITIES ARE LIMITED TO CONSTRUCTION OF APPROPRIATE TAXIWAYS AND RAMP, ROADS, INCLUDING ACCESS ROAD, AND REHABILITATION OF REFUELING SYSTEM, TOTAL COST OF WHICH ESTIMATED TO BE APPROXIMATELY \$6 MILLION. IF REQUESTED BY GOI, THE DOD WILL SEEK TO FURNISH DRAWINGS AND ENGINEERING STUDIES, IF AVAILABLE, OF AN EXPANDAMODULAR DESIGN TERMINAL. (IN THIS REGARD, THORSTEINSSON TOLD ME A DANISH FIRM IS PREPARING PLANS FOR A NEW TERMINAL MORE MODEST THAN THE FRENCH AND IS SUPPOSED TO SUBMIT THEM TO GOI BY END OF OCTOBER.) EXIM BANK WILL ENTERTAIN A REQUEST FOR LOAN (ETC. AS OUTLINED REFTEL C, PARA 7B). USG WILL ALSO CONSIDER ENTERING INTO AN ARRANGEMENT ON GEOTHERMAL HEAT (AS OUTLINED REFTEL C PARA 7C).

(D) USG AND GOI WILL CONTINUE THE PROCESS OF SEEKING
WAYS TO INCREASE THE COOPERATION BETWEEN THE IDF AND THE

ICELANDIC COAST GUARD, POLICE, AND CIVIL AVIATION AUTHORITIES. THIS WILL BE UNDERTAKEN THROUGH THE COMMITTEE STRUCTURE WHICH WAS ESTABLISHED IN REYKJAVIK AFTER THE APRIL 1974 NEGOTIATIONS.

7. AS A TACTICAL PLOY I SUGGESTED THERE BE INCLUDED IN THE WRITTEN RECORD GOI COMMITMENTS ON STRIKE PROHIBITION AND RELAXATION OF RESTRICTIONS ON BASE PERSONNEL, BUT WAS MET WITH STIFF OPPOSITION ON DOMESTIC POLITICAL GROUNDS.

8. PROHIBITION OF STRIKES: ANDERSEN AGREED OUR REQUEST WAS LEGITIMATE. HE SUGGESTED THE ICELANDIC EMPLOYEES BE ON ROLLS OF THE ICELANDIC DEFENSE COUNCIL AND THUS BECOME ICELANDIC CIVIL SERVANTS. I TOLD HIM I DID NOT THINK THIS IDEA SO GOOD BECAUSE IT IS VIRTUALLY IMPOSSIBLE TO TERMINATE ICELANDIC CIVIL SERVANTS. I SUGGESTED FONMIN EITHER GET AN UNDERSTANDING WITH THE UNIONS, OR SIMPLY ACCOMPLISH THIS BY AN INTERPRETATION OF THE LAW. ANDERSEN SAID HE WILL GET FONMIN TO MAKE CONFIDENTIAL

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ORAL STATEMENT WE SEEK BUT IMPLEMENTATION NOT AS EASY AS IT SOUNDS.

9. RELAXATION OF RESTRICTIONS ON BASE PERSONNEL: HE THOUGHT THE ORAL NOTES I PRESENTED TO HIM (BASED ON REFTEL D) MADE SENSE AND HE WILL UNDERTAKE TO CONVINCE FONMIN TO ISSUE ORAL INSTRUCTIONS TO DEFENSE COUNCIL THIS WEEK TO INITIATE STUDY WITH AIM OF RELAXING THE RESTRICTIONS. HE WILL ALSO URGE INITIATION OF A TRIAL PERIOD ON REMOVING UNIFORM RESTRICTION. ANDERSEN REMARKED FONMIN REALLY SCARED TO TOUCH THIS ISSUE BUT ANDERSEN AGREED TIME HAD COME TO SHOW DIGNITY ON THIS MATTER.

10. COOPERATION WITH ICELANDIC POLICE: BY THIS ANDERSEN MEANS OUR LOCAL COMMITTEE SHOULD STUDY MEANS FOR USG TO TRAIN THE ICELANDIC POLICE IN WAYS OF CIVIL DEFENSE, LIKE A LOCAL MILITIA. I SAID IT WAS WORTH EXPLORING.

11. COOPERATION WITH COAST GUARD: ANDERSEN READ ME A MEMORANDUM FROM ICELANDIC COAST GUARD DIRECTOR PETUR SIGURDSSON REQUEST NO TTTTLNG: (A) IDF DEVELOP A CAPABILITY TO SPOT COMMERCIAL FISHING VESSELS(DE FINED AS 200 MILES). I RESPONDED ABSOLUTELY NOT. CEEZA GIVE COAST GUARD 4 MEDIUM SIZE TWIN-ENGINE AIRCRAFT WITH 6-7 HOURS ENDURANCE TO ASSIST IDF IN ITS SURVEILLANCE OF SURFACE VESSELS WITHIN 200 MILE LIMIT. MY RESPONSE SAME AS ABOVE. I TOLD HIM US MANUFACTURERS WOULD BE GALD TO SELL SUCH PLANES TO ICELAND. (C) USG SUPPLY AS LOAN OR GIFT COUPLE HELICOPTERS, RADAR AND SONAR EQUIPMENT. MY REPLY WAS NEGATIVE. (D) PERMIT A "TRUSTED" COAST GUARD OFFICER TO BE STATIONED AT IDF TO

SERVE AS LIAISON OFFICER BETWEEN IDF AND COAST GUARD. I REPLIED THIS HAD POSSIBILITIES AND COULD BE STUDIED BY OUR COMMITTEE. ANDERSEN SEEMED TO ACCEPT MY RESPONSES AS REASONABLE.

12. SEPARATION OF AIRPORTS: ANDERSEN THOUGHT WASTE OF MONEY TO BUILD TEMPORARY ACCESS ROAD. HE THOUGHT OUR OFFER TO SEEK FUNDS FOR TAXIWAYS, ETC, (VALUED TOTAL \$6 MILLION PARA 6C ABOVE) AS "PRETTY PUNY." I TOLD HIM IT WAS MORE THAN USG WAS COMMITTED TO, AND WITH THE ADDITION OF THE CONFIDENTIAL

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OTHER MEASURES (MENTIONED ABOVE) IT WAS GENEROUS AND SHOWED USG SPIRIT OF COOPERATION. HE REPLIED IF WE WANT IDF TO STAY IN ICELAND WE WILL HAVE TO PAY FOR IT. I RESPONDED BY SAYING OUR TOTAL PACKAGE, INCLUDING COST OF 468 ADDITIONAL HOUSING UNITS, IS PRETTY SUBSTANTIAL AND I COULD NOT ACCEPT PROPOSITION ICELAND DOES NOT GAIN ECONOMICALLY AND SECURITY-WISE FROM IDF PRESENCE. WE WENT ROUND AND ROUND ON THIS. I TOLD HIM WE WERE IN ICELAND FOR SECURITY REASONS AND THAT USG EXPENDITURES HAD, THEREFORE, TO BE RESTRICTED TO DEFENSE MEASURES. USG WILL BE GLAD TO CONSIDER ANY PROJECT THAT IS OF MILITARY SIGNIFICANCE, BUT THAT WE WILL HAVE TO BE THE SOLE JUDGE AS TO WHAT THIS MIGHT BE. WE WILL NOT SEEK FUNDS FROM CONGRESS WHICH CANNOT BE DEFENDED ON MILITARY GROUNDS, THEREFORE, WE SHOULD USE THIS AS GUIDE RULE FOR DEGREE OF USG FUNDING OF THE NEW AIR COMPLEX. HE AGREED TO TRY THIS OUT ON THE FONMIN. I DID NOT (RPT NOT) AT THIS TIME BRING UP THE CATEGORY II IMPROVEMENTS, BUT I MAY HAVE TO ALLUDE TO THIS PROGRAM IN OUR NEXT MEETING.

13. AIR SAFETY PROGRAM: ANDERSEN SAID AGNAR KOFOED-HANSEN CLAIMS USG ACCORDING TO ANNEX 4 OF 1951 DEFENSE AGREEMENT IS SUPPOSED TO FINANCE AN AIR SAFETY TRAINING PROGRAM IN ICELAND. I CLAIMED THERE WAS NO MENTION OF USG FUNDING SUCH A PROGRAM. ANDERSEN CITED ARTICLE 6 OF THE ANNEX WHERE IT STATES "IN ORDER TO PROVIDE FOR THE TRAINING OF ICELANDIC PERSONNEL IN THE FIELD OF AVIATION THE UNITED STATES WILL ASSIST ICELAND IN EVERY PRACTICAL WAY. THE DETAILS OF SUCH TRAINING PROGRAMS AND THE NUMBERS OF ICELANDERS TO BE TRAINED WILL BE ARRANGED BETWEEN THE TWO GOVERNMENTS." I REPLIED THAT I WAS NOT IMPRESSED WITH HIS ARGUMENT, BUT IF KOFOED-HANSEN THINKS HE HAS AN UNDERSTANDING WITH THE FAA ON THIS SCORE HE OUGHT TO PURSUE IT WITH THE FAA.

14. IF WE CAN BUTTON DOWN THESE SUBSTANTIVE POINTS TODAY, ANDERSEN AND I WILL START WRITING THE FONMIN'S SCENARIO TOMORROW.

15. MY MEETING WITH SEC GEN THOSTEINSSON CENTERED ON THE

AIRPORT SEPARATION ISSUE AND THE BASE PERSONNEL RELAXATION
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ISSUE AND MORE OR LESS COVERED THE SAME ARGUMENTS AS
REPORTED ABOVE.

16. COMMENT: MY GREATEST APPREHENSION IS KEEPING THE
FONMIN FROM UPSETTING THINGS BY NARROW POLITICAL PARTY
CONSIDERATIONS. HIS TV INTERVIEW OF COUPLE DAYS AGO IS AN
INDICATION OF WHAT I WAS AFRAID MIGHT HAPPEN. THE IP-PP
COALITION IS STRICTLY A MARRIAGE OF CONVENIENCE WITH CONSTANT
INSULTS, CHARGES AND COUNTERCHARGES BEING HURLED AT EACH
OTHER BY THEIR RESPECTIVE NEWSPAPERS. IN ADDITION, AGUSTSSON
IS UNDER HEAVY FIRE FROM THE ANTI-IDF ELEMENTS OF HIS PARTY
FOR DOING AN ABOUT FACE AND AGREEING TO SUPPORT THE NEW
GOVT'S DEFENSE PLATFORM. ALSO, THERE IS A MOVEMENT UNDERWAY
TO BRING THE DISSIDENT YOUNG LEFTISTS, WHO BOLTED THE PP
DURING THE ELECTIONS, BACK INTO THE PP. THE SOONER WE
OBTAIN HIS INITIALS ON AN AGREEMENT THE BETTER OFF WE ALL
WILL BE. I INTEND TO MENTION MY APPREHENSION TO THE
PRIMEMIN TOMORROW. WE TALKED BRIEFLY ON THE PHONE ABOUT
THIS AFTER AGUSTSSON'S TV INTERVIEW. PERSPECTIVE IS
NOT A PARTICULARLY NOTEWORTHY ICELANDIC TRAIT.
IRVING UNQUOTE INGERSOLL

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